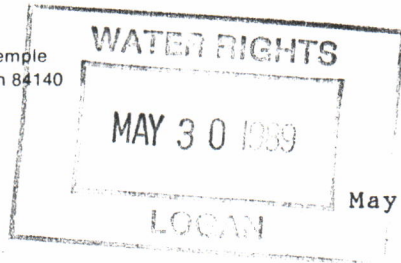




1407 West North Temple
Salt Lake City, Utah 84140
(801) 220-2860



HARRY A. HAYCOCK
Senior Vice President

RECEIVED

JUN 02 1989

WATER RIGHTS
SALT LAKE

Dear Lower Bear River Water User:

Utah Power & Light Company is pleased to submit the enclosed final letter agreement for your review and signature. This agreement will allow you to continue to receive a supplemental water supply from Bear Lake at times when your natural flow rights are not sufficient to meet your water requirements and an adequate supply is available from storage in Bear Lake.

The water demands in the Bear River basin will surely increase in the future as population increases put a strain on limited water supplies. We feel it is important to document water usage from the Bear River System, whether it be natural flows or storage water from Bear Lake.

This agreement reaffirms UP&L's commitment to provide Bear Lake storage water to users within the Bear River basin. The storage water in Bear Lake will be allocated on a priority basis based on the date of contract execution. Naturally, the Bear River Canal Company will receive Bear Lake water first, since that contract was signed in 1912. It is important to note that, in the future, water users who sign the agreement in 1989 will receive storage water before users who sign in subsequent years.

In summary, Utah Power & Light Company feels that this agreement is in the best interest of both the water users and our Company; and we are hopeful that you will sign and return the agreement to us as soon as possible.

Very truly yours,

CBB3/5./4

cc: B. Fatheringham
T. Gnehm, Commissioner